

CIB, CONVENTION AND TOURISM FUNDING SOLUTIONS TASK FORCE

DATE: November 18, 2009

CALLED TO ORDER: 6:35 p.m.

ADJOURNED: 7:16 p.m.

ATTENDANCE

ATTENDING MEMBERS

Michael McQuillen, Chairman
Jackie Nytes
Paul Okeson
Joanne Sanders
Ryan Vaughn

ABSENT MEMBERS

AGENDA

Purpose, structure and agenda planning for future Task Force meetings

CIB, CONVENTION AND TOURISM FUNDING SOLUTIONS TASK FORCE

The CIB, Convention and Tourism Funding Solutions Task Force of the City-County Council met on Wednesday, November 18, 2009. Chairman Michael McQuillen called the meeting to order at 6:35 p.m. with the following members present: Jackie Nytes, Paul Okeson, Joanne Sanders and Ryan Vaughn. Also in attendance was Councillor Bob Cockrum.

Chairman McQuillen asked all members to introduce themselves and state which district they represent, if applicable. Mr. Okeson stated that he is the Chief of Staff for Mayor Gregory Ballard.

Chairman McQuillen said that this is the first official meeting of the Task Force and explained that an ordinance establishing the Task Force was originally introduced by Councillor Nytes and passed at the full Council meeting in September. He asked Councillor Nytes to provide some background information on the Task Force. Councillor Nytes explained that the Committee was concerned about the financial viability for a number of the City's institutions that are critical to the success of the City. She said much of the Council felt restricted at their ability to participate in the discussion of long-term solutions. She said that she feels that there was a strong amount of pressure to obtain a short-term solution. Councillor Nytes said that she had the opportunity to ask President Cockrum if the Council could explore in greater depth the possibility of a long-term solution for the funding of the Capital Improvement Board (CIB) and some of the related entities. She said that President Cockrum, as well as all of the Councillors, were very supportive of this concept and felt that it was important for the Council to step up and work with Mayor Ballard to ensure that the long-term economic welfare of Central Indiana is represented at the State House.

Chairman McQuillen said that the public input is very important to the process of this Task Force. He said that tonight's meeting is a planning session, but he welcomes all comments from the public. He said another component of the Task Force is that it is non-binding. Any solutions discussed will be shared with the full Council, who will then speak with members of the General Assembly and lobby about the ideas that have come from the Task Force. Chairman McQuillen said that there are no easy answers and the Task Force does not have a specific timeline of when business will be concluded. He said he has received some good suggestions from members of the general public and it has been pointed out that there are several organizations in Indianapolis that have a lot to do with the City's tourism and convention business such, as the CIB, Indianapolis Downtown, Inc. (IDI), and the Indianapolis Convention and Visitors Association (ICVA). He said they will endeavor to work with all those groups and any other groups that may have similar responsibilities in the Indianapolis area to determine if there are any shared efficiencies or ways for the groups to work together to save money. Chairman McQuillen said that solutions can be as simple as everyone buying office supplies from the same company or several entities sharing office space.

Chairman McQuillen said that the CIB has been very public about some of the cost-cutting methods that they have employed, and they provided some good economic news as of their last CIB Board meeting. He said this Task Force is more concerned with ensuring that a Task Force is not necessary year after year in finding a long-term solution.

Chairman McQuillen opened the floor for discussion among the members of the Task Force. He said that he would like the members to suggest possible individuals or groups to appear before the Task Force to give suggestions for possible solutions.

Councillor Nytes said that she hopes that the Task Force will have the opportunity to gather two types of information. One is to try to get a handle on some of the financial modeling that is important in understanding regional financing and the financing of entities such as the CIB. She said she knows that there is sensitivity about how effective financial modeling systems are, as state government is learning that past practices do not always work in the present. Councillor Nytes said that it is going to be pretty critical to understand what is likely to happen with the current financing models and what other models can be identified regionally. She said she would like to receive expert testimony on those subjects.

Councillor Nytes said that the second thing that she would like the Task Force to explore is information about how financing is done in other places, as Indianapolis is not the only city attempting to operate a number of venues for large-scale activities that the public enjoys. She said that there must be something that can be learned from other cities across the country.

Councillor Sanders said that she just recently attended the National League of Cities (NLC), which is a national conference that has restructured itself and organized a particular department that deals specifically with best practices relative to the kinds of tools that cities and counties have that can help support entities such as the CIB. She said that this department could also do the modeling to which Councillor Nytes referred. Councillor Sanders said that she has already started inquiring with the NLC to put together some case studies and/or research that they have already completed that will be at no cost to the City. She said she hopes to receive that information in the next couple of weeks. She said that the NLC has looked at the cities of Denver, Philadelphia, and Pittsburgh. Councillor Sanders said as a Task Force, she wants to ensure that everyone understands and will help to educate the community that these are public assets that help to bring benefits to the county and 91 other surrounding counties in the State of Indiana. She said that it sometimes troubles her that Indianapolis receives less of the benefit, even though the entities are housed in the City.

Councillor Vaughn said that the limiting part of this particular body is that it is a creation of the Council and is limited in its scope to Marion County. He said this is a regional issue, and he would like to invite local elected officials from surrounding counties to attend the meetings, hear testimony and possibly give testimony about the value that

the assets located in Marion County have on their community, or any reservations they have about participating in ongoing funding of these entities. He said the Task Force is additionally confined because it is a local body governed by the state legislators. He said that was the case with the most recent hotel tax increase. He invited the Legislators who had influence over that particular bill to come before the Task Force so that there can be a better understanding of the position that Legislators face, as well as the position that the City faces.

Councillor Vaughn said that he would also like to see a presentation or the submittal of documents or evidence from multiple groups, such as the CIB, ICVA, IDI, the Sports Corporation, the Indianapolis Airport, and private businesses such as hotels and restaurants, that participate in the City's economic engine regarding their efforts on promoting the downtown economy. He said this will allow the Task Force to look at how those services overlap and how best to use synergies to reduce costs and increase the effectiveness of those efforts. Councillor Vaughn added that, with respect to the regional approach, the value of the assets Marion County has seems to always be unquantifiable in terms of sales tax revenue generated versus property taxes for a bond. He said he would like for a party independent of Marion County to provide the City with some type of financial review on which the Task Force can rely.

Mr. Okeson recognized that James Wallis from the ICVA is present, and the two of them did an extensive amount of work during the regular and special sessions. He said they recently did a spreadsheet that lists some of the conventions that come to the City and a breakdown of the economic impact, including hotel taxes, sales taxes and food and beverage taxes. He asked Mr. Wallis to provide that information to the Task Force. Mr. Okeson said one of the reactions that they faced at the State House was a bit of indifference toward Marion County. He said with respect to Councillor Vaughn's comment, although Marion County residents love all of the amenities about the City and believe strongly in the economic engine, there is still the question of what the breakdown is for every dollar that is spent in Marion County. Mr. Okeson said that a study done by an outside analyst for the ICVA suggests that for every dollar that the ICVA spends in marketing generates a \$5 return. He said anecdotally, hundreds of millions of dollars are generated out of a business that employs about 60,000 Hoosiers. He said he would like to obtain more detail as to the breakdown of each dollar spent in Marion County. Mr. Okeson said that this is a regional issue, and it is understood that of those 60,000 employees, many come from outside Marion County. Chairman McQuillen said that at some point the Task Force will take a close look at that study.

Chairman McQuillen said that some very good issues have been raised by the Task Force. He said he believes they have a pretty good start of how to move forward with the Task Force.

Councillor Sanders said that she has some concerns with lumping IDI in with the other entities, because of the kind of work that they do. She said that although their work enhances the ability for ICVA and the CIB to promote and market the City, she also

believes that IDI does some things that benefit residents differently than tourism. She said that she does not see IDI at the same level as some of the others when it comes to investing in and promoting the City. Chairman McQuillen said that he believes that the Task Force should look at all groups, without regard to their specific responsibilities. He said he understands that some of the groups may come out to show different results.

Councillor Vaughn said that some of the entities that receive a form of funding from the City may directly or indirectly engage in overlapping functions of the City's funding. He said this could result in a potential cost savings opportunity for the City. He said that he is not suggesting that these entities add to the overall problem, but it may make sense to look at their functions as they relate to other functions. Councillor Sanders said she simply wants to ensure that the Task Force recognizes both sides.

Chairman McQuillen recognized Council President, Bob Cockrum, and again stated that public input is very important to this process.

Larry Vaughn, citizen, said that he feels that this is a simple mathematics problem. He said although other cities may have dealt with some of the same kinds of issues, those other cities have strong unions and authorities to maintain their facilities, so that the contract with the unions do not change when the administration changes. He said he believes that the City needs find out how much it costs to operate the facilities and charge that price for that service, because the economy is not going to get better in the short-term. Mr. Vaughn said that this is an inherited problem, but the City now needs to begin using a self-preservation mode.

George Seacrest, Vice President, BMG Event Productions and Event Management Company, said that his company is based in Indianapolis with 22 employees. He said his company represents clients, such as Rolls Royce, Consecro, Carrier and Delta Faucet. He said in dealing with their clients, they are able to look at a lot of the competition. He said there is a lot of opportunity at the Convention Center, Lucas Oil Stadium, and Consecro Fieldhouse, and they have spoken with them about those opportunities, but those entities do not seem to want to deal with it. He offered their services to help determine how to cut costs and raise the bar. He said he believes that there is a lot of nepotism within the CIB and they frown upon new companies and new ideas.

Chairman McQuillen said when the General Assembly came up with their plan last year, one of the components was that it sunset the terms of the current members of the CIB to January 15, 2010. He said it will be up to the appointing agencies, which includes the Mayor's Office and the Council Office, to either re-appoint the current members or appoint new members.

Mr. Seacrest said that he received a request for information (RFI) from the City of Indianapolis, Office of Enterprise Development, about the re-management of the CIB. He asked how that reflects in this process. Mr. Okeson answered that in trying to find

the most efficient and effective way to run the facilities, an RFI was issued to solicit ideas to see if there are any dollars to be saved in the fundamental operations of the facilities, as well as any opportunity to increase the revenue for the CIB. Mr Okeson said that he also believes that it is important to break down how the CIB is funded. He said it may be unrealistic to think that each ticket sold travels dollar-for-dollar in the system, as the CIB is largely funded as a result of the taxes that are generated. He said that the tax revenue lines of the CIB indicate that 30% of the revenue comes from hotel tax receipts, about 25% comes from food and beverage tax receipts and about 5% comes from rental income that is charged for use of the facilities. Mr. Okeson said that this information needs to be a part of the discussion.

Susan Musleh, Art by Design, citizen, said that she is wondering how open the Task Force will be about out-of-the-box thinking for possible solutions and creating a subscription revenue base for governing entities. Mr. Okeson asked Ms. Musleh what she means by subscription revenue base. Ms. Musleh answered that she has been working on creating a digital signage system for the last two years that highlights all of the media assets that each one of the entities bring together. These signs can be put at the high traffic end areas, such as the airport or the Convention Center. She shared an outline with the Task Force (attached as Exhibit A), and stated that the website included in the information is an example of how she would like to see the City promoted. Mr. Okeson said that he would be interested in the idea, but there is no financial information included. Ms. Musleh said financials could depend on the media assets already available. She said that there should be no need to duplicate efforts that already exist. Mr. Okeson said that he does not speak for the CIB, but there is sincerity about looking at ideas to generate revenue as an obligation to taxpayers. He said that he believes that all involved with the CIB have recently done an incredible job of reducing expenses, and the question is whether or not it is sustainable. He said he is not sure if Ms. Musleh's idea can fit the desired model, but he encouraged her to follow through on response. Ms. Musleh added that because this particular system is a touch screen and is web-based, results can be tracked from every touch.

Chairman McQuillen stated that if there are any other vendors with ideas, they may send that information to the City-County Council office to be distributed to all members of the Task Force.

Councillor Vaughn asked if there is a preset schedule of Task Force meetings. Chairman McQuillen answered that the Task Force will meet again December 9, 2009 at 6:00 p.m. in Room 260 of the City-County Building. He said that an agenda for this meeting will be put together over the next couple of weeks.

Councillor Nytes said that although the topics being discussed may be a little uncomfortable for some people, she thanked the members of the Task Force for being willing to take on this responsibility and the Council for being willing to step up to the plate on this endeavor. She said that this is a regional economy, and Indianapolis is part of something larger than its city limits. She said she believes that the Task Force

has a real opportunity to help move Central Indiana forward and to help strengthen a stressed economy. Councillor Nytes said that the conversations will mostly revolve around the CIB, but she believes that it will also provide an opportunity for people to obtain an understanding about the Central Indiana region.

There being no further business, and upon motion duly made, the meeting was adjourned at 7:16 p.m.

Respectfully Submitted,

Michael McQuillen, Chairman

MM/nsm

Indianapolis *Raising the game™*

TMI – Interactive Community Programming



TMI - Touch Me Info-Pods A Web Based Community Program

Susan Musleh

317- 849-6688 / art-lady@comcast.net

All information is

Patent Pending TMI 2008-2009



Flexible, Scalable, Accountable

http://www.touchmeinfopods.com/tmiworking/tmi_main_small.html

TMI's 3 Top Community Benefits:

TMI - Hoosier Hospitality "Fun at Your Finger Tips"

- TMI's self funded interactive community program, illuminates our collective "Hoosier Pride" on one interactive touch screen. Info-Pods support Indy's hospitality industries and community non-profits by increasing the range, reach, and frequency of each community partners specific branding message.

TMI's interactive community program is designed specifically to allow each icon sponsor the unique flexibility of retaining their full individual identity, while maximizing the branding credibility of this co-op community branding program.

TMI uses current media resources:

- TMI's - Hospitality model features the ICVA's current "Doing Indy" content. The "Doing Indy" videos are a paid for resource which will warmly welcome our visitors and reintroduce our family friendly venues to our locals. Using the ICVA's current media resources, we now have an info-taining way to showcase our collective Hoosier past, present and the visions for our future.

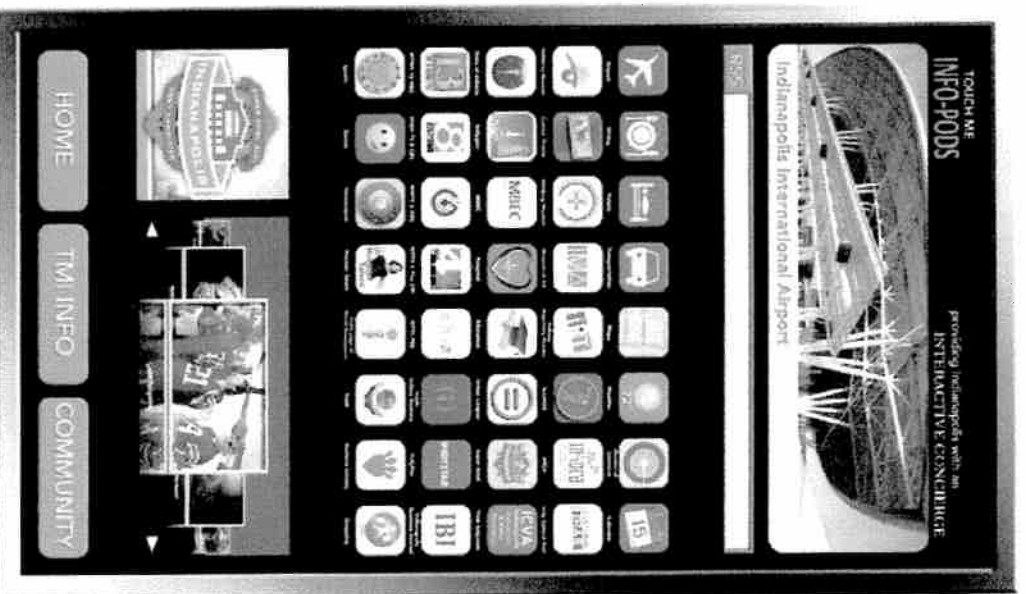
TMI's offers the added value, of intriguing a captive audience (8 million passengers @ 1 ½ hour national, pre-loading recommendation) with relevant Hoosier info-tainment. Simply repurposing the "Doing Indy" web videos onto a street level Info-Pod would exponentially add to the value of the "Doing Indy" video series, capital expenditure. Not to mention, reaching out to an entirely new and relevant audience, the actual travelers at eye level, touching, listening and sharing our unique cultural story interactively.

TMI's Community Program -- "Every Touch Counts"

- TMI's Touch technology uses Google Analytics to accurately and authentically report audience engagement. Finally, interactive touch technology brings marketing accountability. Providing our corporate branding partners the ability to track, tweak and graph how users are interacting.

Marketing does not get any better, scalability, flexibility and accountability. Every touch is counted, statistically collected, and formatted into marketing data, which optimizes every one of our sponsors' marketing dollars.

Each Info-Pod unit then become more than an interactive community program promising actual accountability... the TMI Info-Pods become an invaluable research tool best placed at our highest foot trafficked portals. "Social Marketing Redefined"



Flexible, Scalable, Accountable

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Here is where you are invited to a preliminary hidden demo:

www.touchmeinfopods.com/tmiworking/tmi_main_small.html

Suggestions and comments are welcome.

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